

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MARROWBONE WATER)	
DISTRICT FOR A RATE ADJUSTMENT PURSUANT)	CASE NO.
TO THE ALTERNATIVE RATE FILING PROCEDURE)	89-096
FOR SMALL UTILITIES)	

O R D E R

On April 21, 1989, Marrowbone Water District ("Marrowbone") filed its application for Commission approval of a proposed increase in its rates for water service. The proposed rates for water service would generate additional annual revenues of \$16,477, an increase of 16 percent over reported test-period revenues from water sales.

Commission Staff has conducted a field review of Marrowbone's test-period financial records. Based upon this review, Commission Staff issued a report on October 4, 1989 recommending a \$36,146 increase in Marrowbone's annual operating revenues.

By letter dated October 11, 1989, Marrowbone was advised to file comments on the Staff Report or request a hearing no later than October 25, 1989 or the case would stand submitted to the Commission for decision. No comments on the Staff Report or requests for a hearing have been received.

The Commission, after considering the evidence of record and being sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A to this Order, attached and incorporated hereto, are the fair just and reasonable rates for Marrowbone and will produce gross annual revenues of \$146,863. These rates will allow Marrowbone sufficient revenues to meet its operating expenses, service its debt, and provide for future equity growth.

3. The rates proposed by Marrowbone would produce revenues below that found reasonable herein.

IT IS THEREFORE ORDERED that:

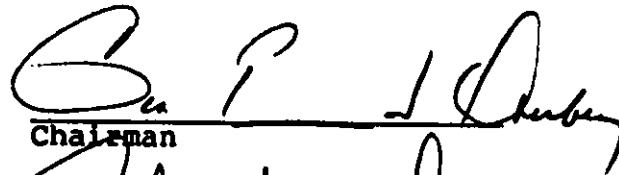
1. The rates proposed by Marrowbone in its application are denied.

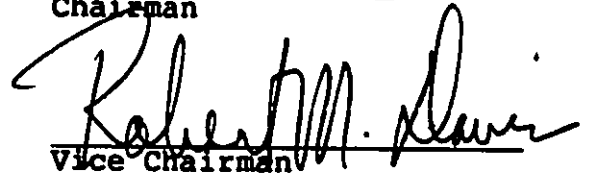
2. The rates contained in Appendix A to this Order are approved for service rendered by Marrowbone on and after the date of this Order.

3. Within 30 days of the date of this Order, Marrowbone shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 4th day of December, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 89-096 DATED 12/4/89

The following rates and charges are prescribed for the customers served by Marrowbone Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

5/8 x 3/4" Meters

First 2,000 gallons	\$ 9.45 (Minimum Bill)
Next 2,000 gallons	3.15 per 1,000 gallons
Next 2,000 gallons	2.70 per 1,000 gallons
Next 4,000 gallons	2.20 per 1,000 gallons
Next 10,000 gallons	1.90 per 1,000 gallons
Over 20,000 gallons	1.70 per 1,000 gallons

3/4" Meters

First 3,000 gallons	\$12.60 per 1,000 gallons
Next 1,000 gallons	3.15 per 1,000 gallons
Next 2,000 gallons	2.70 per 1,000 gallons
Next 4,000 gallons	2.20 per 1,000 gallons
Next 10,000 gallons	1.90 per 1,000 gallons
Over 20,000 gallons	1.70 per 1,000 gallons

1" Meters

First 6,500 gallons	\$22.25 (Minimum Bill)
Next 3,500 gallons	2.20 per 1,000 gallons
Next 10,000 gallons	1.90 per 1,000 gallons
Over 20,000 gallons	1.70 per 1,000 gallons

1 1/2" Meters

First 10,000 gallons	\$29.95 (Minimum Bill)
Next 10,000 gallons	1.90 per 1,000 gallons
Over 20,000 gallons	1.70 per 1,000 gallons

2" Meters

First 16,000 gallons	\$41.35 (Minimum Bill)
Next 4,000 gallons	1.90 per 1,000 gallons
Over 20,000 gallons	1.70 per 1,000 gallons